

**No.886/27.07.2023**

## CURRENT REPORT

*According to: A.S.F. Regulation no.5/2018 on issuers of financial instruments and market operations; Law no.24/2017 on issuers of financial instruments and market operations; Law No.31/1990, companies, republished with subsequent amendments; Articles of Association of ROMCARBON S.A.*

Date of report: 27.07.2023

Name of Issuer: ROMCARBON S.A.

Headquarters: 132, Transilvaniei street, Buzau, Buzau County

Phone number: 0238/711 155/Fax number: 0238/710 697

Single registration code: RO 1158050

Number of Trade Registry: J10/83/1991

Subscribed and paid up capital: 52.824.419,20 lei

Regulated market where the issued securities are traded: BVB Standard Category

Event to be reported: Report issued by DELOITTE AUDIT S.R.L. as External Financial Auditor of ROMCARBON S.A., according to the provisions of art.108 of Law no. 24/2017 on issuers of financial instruments and market operations, republished

ROMCARBON S.A. informs shareholders and investors regarding availability of the **Independent Limited Insurance Report on the information included in the current report issued by the company in accordance with the requirements of Law no. 24/2017, with subsequent amendments and completions, republished and with the provisions of the FSA Regulation no. 5/2018**, referring to Semester 1 of 2023 and prepared in accordance with the requirements of art. 108 of Law no. 24/2017 on issuers of financial instruments and market operations, republished and of the FSA Regulation no. 5/2018 on issuers of financial instruments and market operations.

The complete report issued by DELOITTE AUDIT S.R.L. is available in the link below.

Yours sincerely,

**Chairman of the Board of Directors**  
**General Manager**  
**Huang Liang Neng**

**INDEPENDENT LIMITED ASSURANCE REPORT  
ON THE INFORMATION INCLUDED IN THE CURRENT REPORT PREPARED BY THE COMPANY IN ACCORDANCE WITH THE  
PROVISIONS OF LAW NO. 24/2017, AS REVISED, AND FSA REGULATION NO. 5/2018**

**To: Board of Directors  
ROMCARBON S.A.**

We have been contracted by **ROMCARBON S.A.** herein after referred to as “**the Company**” or “**Romcarbon**”) in order to report according to the requirements of Law no. 24/2017 on issuers of financial instruments and market operations, as revised (herein after referred to “**Law no. 24/2017**”) on the information included in the accompanying current Report (dated 05.04.2023) (“**Current Report**”), which were prepared by the Company in accordance with article 108 from Law 24/2017, and the provisions of Regulation no. 5/2018 of the Financial Supervisory Authority (herein after referred to as “**FSA**”), to report to the FSA and the Bucharest Stock Exchange (“**BSE**”) for the period **January 01, 2023 – June 3, 2023**, in the form of a limited assurance conclusion.

Limited assurance is a lower level of assurance, and it is not a guarantee that an assurance engagement conducted in accordance with International Standard on Assurance Engagements (**ISAE**) will always detect a material misstatement when it exists.

### ***Specific Scope***

The scope of our report is exclusively that laid down in the first paragraph hereof, and our report is prepared for the information of the Company, of the BSE and the FSA and shall not be used for any other purpose. Our report shall not be deemed adequate for use by any party that wishes to acquire rights towards us, other than the Company, for any purpose or in any context.

Any party other than the Company, which gains access to our report or a copy hereof and choses to rely on our report (or a portion hereof), shall do so on its own responsibility. Our engagement was conducted so as to report on such matters that we must report in an independent limited assurance report, and not for other purposes. This report refers only to the elements mentioned hereunder and does not extend to the Company’s financial statements or other Report issued by the Company, individually or as a whole.

### ***Management’s Responsibility***

The Company’s management is responsible for the preparation of the Current Report and conclusion of the transactions reported in accordance with Law no. 24/2017 and FSA Regulation no. 5/2018, as revised. Moreover, the Company’s management is responsible for the design, implementation and maintenance of internal controls that enable the preparation of Current Report that are free from material misstatements, whether due to fraud or error. The Company’s management is also responsible to make sure that the supporting documents underlying the preparation of the Current Report and evidence provided to the auditor are complete, correct and justified.

### ***Auditor’s Responsibility***

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance engagements other than audits or reviews of historical financial information. This standard requires that we comply with ethical requirements, plan and perform the assurance engagement to obtain limited assurance about the Current Report.

Our firm applies International Standard on Quality Management 1 (“ISQM1”) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on the auditor’s judgment and understanding of the reported transaction included in the Current Report, and of other circumstances of the engagement, as well as on our considerations as to the areas where material misstatements might arise. In obtaining an understanding of the reported transaction included in the current Report, we have taken into consideration the process used by the Company for concluding the transactions and preparing and presenting the current report in accordance with Law no. 24/2017 and FSA Regulation 5/2018, for the purpose of determining the assurance procedures applicable in the given circumstances, but not for the purpose of expressing a conclusion on the efficacy of the process or of the Company’s internal control for concluding the reported transaction included in the Current report and for preparing and presenting the Current report(s).

The procedures include, in particular, making enquiries of those in charge of financial reporting and risk management, as well as additional procedures aimed at obtaining evidence on the information included in the Current report(s).

The procedures of obtaining evidence in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As regards the Company’s current Report, in order to assess the justified and correct nature of the transactions reported in such Report, we have conducted the following procedures:

- 1) We have obtained from the Company the accompanying Current report(s) and details on the transactions included in such Report.
- 2) We have checked whether the persons approving such Report are the Company’s authorised representatives and requested the list of authorised signatures.
- 3) For the transactions analysed sampled, presented in the Current Report, we have determined whether the details thereof are consistent, in all material respects, with the information included in the signed contracts/ contractual agreements, made available to us, and whether they were signed by the Company’s representatives, in accordance with the list of authorised signatures provided to us. Where applicable, we have checked whether the details included in the Current report(s) match the documentation pertaining to such contracts: the parties who signed the supporting documents; the date when the documentation was signed and the nature thereof; description of the type of goods/services indicated in the documentation; the achieved or estimated aggregate value of the contracts and, where applicable, guarantees and penalties established, payment terms and methods, the related contractual terms and conditions.
- 4) For the transactions analysed sampled, we have checked whether the details presented in the accompanying Current Report match the information obtained by us following the enquiries with the Company’s management as well as with the documentation accompanying the contracts, as applicable.
- 5) For the transactions analysed sampled, to the extent there is a market price for the goods or services provided between the Company and its affiliates, we have discussed with the Company’s management the pricing of such goods or services and whether, on a case by case basis, the agreed upon prices are consistent with those applied by other (third) parties for similar goods or services and whether the related contracts are approved by the board of directors or the supervisory board of the Company.

If there are no market prices available, we have analysed whether such transactions are carried out based on the Company’s internal procedures regarding the substantiation of the pricing and, respectively, whether the related contracts are approved by the Company’s board of directors or supervisory board in accordance with its internal procedures.

Our procedures have been conducted only for the transactions included in the accompanying Current Report, which related to the period **January 01, 2023 – June 30, 2023**. We have not conducted any procedures to check whether Current Report include all the transactions that the Company should report as per article 108 from Law 24/2017.

The procedures performed do not constitute an audit according to the International Standards on Auditing, nor an examination of the effectiveness of the Company's internal control systems, or an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures does not result in the expression of an opinion, or any other form of assurance on the Company's internal control systems or its compliance with laws, regulations, or other matters.

The assurance provided by our procedures should therefore be considered at the light of these limitations on the nature and extent of evidence-gathering procedures performed.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## **Conclusion**

Our conclusion was formed on the basis of and considering the matters presented in this independent limited assurance report. Based on the procedures described above and the evidence obtained, **nothing has come to our attention** that causes us to believe that:

- a) the information included in the accompanying Current Report is not **consistent** in all material respects with the **supporting documents** made available to us by the Company.
- b) the information included in the accompanying Current Report is not **consistent** in all material respects with the **requirements of Law no. 24/2017 and FSA Regulation 5/2018**, as regards the signatories of the supporting documents; the date when the documentation was signed and the nature thereof; the description of the type of goods/services referred to in the documentation; the achieved or estimated aggregate value of the contracts, and, if applicable, guarantees and penalties established, payment terms and methods, the related contractual terms and conditions.
- c) the contracts underlying the transactions reported and analysed have not **been duly authorised** by the Company's representatives and have not been approved by the Company's board of directors and supervisory board.
- d) the prices agreed upon by the parties have not **been mutually accepted** based on the type of goods/services and other terms and conditions stipulated, as applicable, in the agreements between the parties and have not been determined according to the criteria mentioned at item 5) of the list of procedures herein above.

On behalf of:  
Deloitte Audit SRL

Ana-Corina Dimitriu

*For signature, please refer to the original signed  
Romanian version.*

Bucharest, Romania  
July 26, 2023

## **Annex**

1. Current Report forming the subject matter of this limited assurance report.

**No.495/05.04.2023**

## CURRENT REPORT

### **according to art. 108 of Law 24/2017 with subsequent amendments and additions and art. 234 letter i) of A.S.F Regulation no. 5/2018**

*Considering: the A.S.F. Regulation no.5/2018 on issuers of financial instruments and market operations; Law no.24/2017 on issuers of financial instruments and market operations, with amendments and additions; Law no.31/1990, on companies, republished with amendments later; the Articles of Association of the S.C. company ROMCARBON S.A.*

Report date: **05.04.2023**

Name of the issuing entity: ROMCARBON S.A

Registered office: Buzau, str. Transilvaniei no. 132, Buzau county

Telephone number: 0238/723.115/ Fax number: 0238/710.697

Unique registration code: RO 1158050

Order number in the Trade Register: J10/83/1991

Subscribed and paid-up capital: 26,412,209.60 lei

The regulated market on which the issued securities are traded: BVB Standard Category

Events to be reported: Reporting of transactions with related parties according to art. 108 paragraph (13) of Law no. 24/2017, as amended and supplemented by Law no. 158/2020

Considering the provisions of 108 paragraph (13) of Law no. 24/2017, as amended and supplemented by Law no. 158/2020, Romcarbon S.A. informs shareholders and investors of the fact that between **01.01.2023 - 03.31.2023** it executed with the same affiliated party, Livingjumbo Industry S.A. (company in which Romcarbon S.A. owns 99.857% of the share capital) transactions that, cumulatively, exceed 5% of the value of the net assets of Romcarbon S.A., according to the latest published individual financial reports, respectively those related to 2021.

Details regarding the reported events can be found in Annex 1 to the Current Report according to art. 108 of Law no. 24/2017.

The mutual receivables on **31.03.2023** are:

<b>Company name:</b>	<b>ROMCARBON S.A - supplier -</b>	<b>ROMCARBON S.A - client -</b>
<b>Livingjumbo Industry S.A.</b>	41,481,506 lei	437,033 lei

With great respect,

President of the Board of Directors  
and  
CEO  
Huang Liang Neng

**Annex 1** to the Current Report according to art. 108 para. (13) of Law 24/2017 with subsequent amendments and additions, regarding transactions carried out between **03.01.2023 and 03.31.2023** with the same related party.

Contractual quality SC ROMCARBON SA	Contractual Quality LIVINGJUMBO INDUSTRY SA	Contract object	Contract no.	Delay penalties	Payment terms and methods	Realized value 3 months 2023 [without VAT]	Contract duration
Seller	Buyer	Sale of PE products	3357/17.01.2019	0.15%/day	60 days from delivery	1,145,408 lei	31.12.2023
Seller	Buyer	Sale of polymer granules	899/04.02.2010	0.15%/day	45 days from delivery	8,112,709 lei	initially 1 year, with automatic annual extension
Seller	Beneficiary	Supply of utilities-electricity	2586/1/12.07.2005	-	15 days from invoice	1,066,824 lei	automatic extension 1 year
Seller	Beneficiary	Supply of utilities-electricity	5648/24.11.2015	0.30%/day	15 days from invoice	926,238 lei	automatic extension 1 year
Lessor	Tenant	Server rental	1138/29.01.2015	0.15%/day	15 days from invoice	2,295 lei	automatic extension 4 years
Supplier	Beneficiary	Waste processing	4999/29.09.2015	0.03%/day	60 days from invoice	106,129 lei	automatic extension 1 year
Lessor	Tenant	Rent space	619/19.04.2010	0.15%/day	Until 30 -th of the current month	206,465 lei	01.11.2023
Lessor	Tenant	Rent space	J/913/17.01.2017	0.15%/day	Until 30 -th of the current month	76,935 lei	31.12.2026
Lessor	Tenant	Rent space	J/914/17.01.2017	0.15%/day	Until 30 -th of the current month	38,865 lei	31.12.2026
Lessor	Tenant	Rent space	J/1722/01.08.2017	0.15%/day	Until 30 -th of the current month	31,203 lei	01.08.2027
Lessor	Tenant	Rent space	J725/22.12.2020	0.0015	Until end of month corresponding to invoice	43,402 lei	5 years starting 01.01.2021
Seller	Beneficiary	Weighing services	ctr. 613/11.10.2016	0.1%/day	15 days from invoice	720 lei	automatic extension 1 year
Seller	Beneficiary	Sales of stocks of materials, goods and services based on the order	Client order LJI	-	-	105,796 lei	
Supplier	Beneficiary	Execution of mechanical processing works	6564/10.07.2015	0.05%/day	30 zile de la emiterea facturii	14,325 lei	initially 1 year, with automatic annual extension
<b>TOTAL SALES</b>						<b>11,877,316 lei</b>	

Contractual quality SC ROMCARBON SA	Contractual Quality LIVINGJUMBO INDUSTRY SA	Contract object	Contract no.	Delay penalties	Payment terms and methods	Realized value 3 months 2023 [without VAT]	Contract duration
Buyer/Beneficiary	Seller/Supplier	Waste purchases	J521/19.08.2016	-	15 days from invoice	85,909 lei	automatic extension 1 year
Buyer/Beneficiary	Seller/Supplier	Products purchase [Big-bags]	J18/06.01.2021	0.15%	60 days from delivery	92,498 lei	31.12.2023
Buyer/Beneficiary	Seller/Supplier	Purchases of stocks of materials, goods and services based on the order	Order to supplier ~LJI	-	30 days from invoice	207,959 lei	-
<b>TOTAL PURCHASES</b>						<b>386,366 lei</b>	

CEO  
Huang Liang Neng

CFO  
Zăinescu Viorica Ioana